

ROLL CALL
NATURAL RESOURCES COMMITTEE

[illegible]



SENATE STANDING COMMITTEE REPORT

March 22, 2007

Page 1 of 1

Mr. President:

We, your committee on **Natural Resources and Energy** recommend that **House Bill 664** (third reading copy -- blue) **be concurred in.**

Signed: _____


Senator Greg Lind, Chair

To be carried by Senator Steven Gallus

- END -

Committee Vote:

Yes 9, No 0

Fiscal Note Required Kf

611141SC.ssc



SENATE STANDING COMMITTEE REPORT


March 22, 2007

Page 1 of 1

Mr. President:

We, your committee on **Natural Resources and Energy** recommend that **House Bill 526** (third reading copy -- blue) **be concurred in as amended.**

Signed: _____


Senator Greg Lind, Chair

To be carried by Senator Gary Perry

And, that such amendments read:

1. Page 2, line 13 through line 17.

Following: "Subdivision" on line 13

Strike: "means" on line 13 through "subdivision is" on line 17

Insert: "has the meaning provided for in 76-3-103. The definition includes subdivisions that may be"

- END -

Committee Vote:

Yes 9, No 0

Fiscal Note Required _____



611143SC.ssc



SENATE STANDING COMMITTEE REPORT

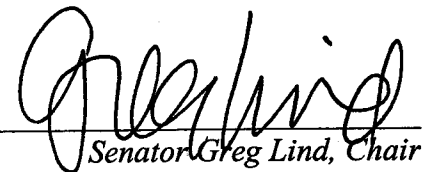
March 22, 2007

Page 1 of 1

Mr. President:

We, your committee on **Natural Resources and Energy** recommend that **House Bill 37** (third reading copy -- blue) **be concurred in.**

Signed: _____


Senator Greg Lind, Chair

To be carried by Senator David Wanzenried

- END -

Committee Vote:

Yes 9, No 0

Fiscal Note Required _____



611144SC.ssc

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator

Tash

to vote my proxy on any issue before the Senate

Nat Res

Committee

held on

3/21/07

, 2007.

HB 166
HB 259
HB 427
HB 526 ↑



SENATOR

STATE OF MONTANA

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator KAUFMANN

to vote my proxy on any issue before the Senate NATURAL RESOURCES

ENERGY Committee

held on 21 MARCH, 2007.

~~HB 739 - YES~~ ; UNANIMOUS AMENDMENTS - YES

HB 526 - YES

HB 166 - YES

HB 259 - YES

HB 427 - YES

UNANIMOUS

SENATOR

STATE OF MONTANA

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator *Vanpelt*

to vote my proxy on any issue before the Senate *Natural Resources*

and Energy Committee

held on _____, 2007.

John H. ...
SENATOR
STATE OF MONTANA

**MONTANA STATE SENATE
2007 LEGISLATURE**

**VISITOR REGISTER
NATURAL RESOURCES**

DATE 3-21-07

BILLS BEING HEARD TODAY HB 37, 383, 460, 664

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Janet McMillan	244-0300	Northern Plains Self	383		X
Connie J Morris 406	784-2485	Self / Clear Lake Goodwin CFRD	383	X	
John D. Morris 406	784-2485	Self / CFRD	383	X	
Beth Kaeding	585-5644	Self	383		X
CLINT HAYES Jr	406-964-6260	Self / TRWA	383		X
Tom Schulte	744-975	DMZC	37, 664	X	
Vivian Drake	458-9288	Drake Engineering Self	383		X
Ron Drake	458-9288	Drake Engineering	383		
Julie King Tulloch	353-8304	Fort Belknap Indian Comm	460		X
Dean L. Stapp	353-8411	Fort Belknap Tribes	460		X
CLINT MCKEE	347-5221	SBCE	383		X
Roug Johnson	454-6920	Cascade Co Weed Mgmt	37	X	
ROBERT HROSSELL	459-6865	MT Wildlife Federation	HB 383		X
Debbie Shea		MT. MINING ASSOC	460	X	
ALEX NGSTENT		NWPA	664	X	
Jess Eulder	287-3261	Self	460	X	
Don Allen	443-5544	WEPA (460, 383, 664)		X	
Thad A. L.	421-5460	NORTHERN PLAINS SELF	HB 383		X
Roger Maggi	232-5312	Tongue & Yellowstone Irrigation	HB 383		X
RAY MAGGI	232-2058	NPR Hugo Maggi Inc	HB 383		X
Dennis Getz	939-0964	NPRC Self	383		X

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

**MONTANA STATE SENATE
2007 LEGISLATURE**

**VISITOR REGISTER
NATURAL RESOURCES**

DATE 3-21-07

BILLS BEING HEARD TODAY HB 37, 383, 460, 664

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Charlie Gephart	232-4701	NPRC - Self	383	X	
Aubrey Martin	494-5781	Butte High School	664	X	
Jessica Graham	490-6231	Butte High School	664	X	
Jasun Mith	442-1708	IAFL-CIO	460	X	
Mark Moreland	757-2294	Rancholme Cattle	383	X	
Gwynn Walker	406-827-8828	Self & Offspring	383		X
Norrah-Hanson	406-232-2134	Self & NPRC	383		X
Pat Torgerson	480-5154	WIFE	HB 37	X	
John Moody	496-6462	RSB Weed Board	HB 37	X	
Roy Anderson	447-4214	Duke Eng	HB 383		
Steve Pilcher	439-4178	MT Stockgrowers	HB 385	X	
GARY FORRESTER	208-8290	FIDELITY EXPLORATION	HB 583	X	
Tom Ebzery	698-1799	NANCE Petroleum	HB 383	X	
Brenda Lindholm	442-3261	Tongue River Water Users	HB 383		X
Jeff Barber	594-7806	MEIC	383		X
Art Compton	444-6754	MT DEQ	383	IN	FO
Sarah Cebler	581-2284	MCY	383		X
Mike Murphy	-	MT Water Users Assoc	HB 385	X	
Dave Deitz	442-7555	MPA	HB 383	X	
Jason Todhunter	253-3807	MLA	HB 664	X	
Gail Abercrombie	459-4244	Montanans For Responsible Energy Develop	HB 383	X	

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

VISITOR REGISTER

NATURAL RESOURCES

BILLS BEING HEARD TODAY HB 37, 383, 460, 664

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY



T. Crawford
C, Ranches

March 21, 2007

ATTN: Joe Kolman
FAX#: (406) 444-3971
RE: H.B.383

Dear Members of the Montana Senate Natural Resources and Energy Committee,

I strongly urge you to vote NO on H.B.383. I need not point out to you that water is our most important resource in Eastern Montana. We cannot tolerate any lessening of our non-degradation standards. Much of the water produced as a by-product of coal-bed methane extraction is extremely detrimental for irrigation. Although of some use for livestock water, the salinity contained in this water is ultimately poisonous to irrigated crops with its accumulation in soil. If we poison the soil for agriculture, more people will be driven off the ground in Eastern Montana by the resulting desertification. With the continuing rising of our temperatures and expanding drought conditions, we must learn to better husband our water resources both in quantity and quality. So again I ask you to vote NO on H.B.383.

Thank you,

Tim Crawford



The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

REPRESENTATIVE DEBBY BARRETT
HOUSE DISTRICT 72

HELENA ADDRESS:
CAPITOL BUILDING
PO BOX 200400
HELENA, MONTANA 59620-0400
PHONE: (406) 444-4800

HOME ADDRESS:
17600 HWY 324
DILLON, MT 59725
PHONE: (406) 681-3177

March 21, 2007

Governor Brian Schweitzer
Montana State Capitol Building
Helena, MT 59620

Dear Governor Schweitzer:

I am writing you today about a developing dichotomy in public policy among two of your Natural Resource Agencies that gravely concerns me.

Earlier this month, the Montana Department of Fish, Wildlife, and Parks made a bold move. As you probably know, they formally protested a BLM oil and gas lease sale. That action is akin to "appealing" a federal timber sale. In a recent article by *Bozeman Chronicle* staff writer Scott McMillion, FWP's oil and gas specialist T. O. Smith is quoted: "As far as we can tell, it's the first time we've ever filed a mineral rights protest . . . it might not be the last . . . If we need to, we'll file more protests."

Quite frankly, Governor, that seems like quite a cavalier attitude and a bit contradictory from the position espoused by DNRC on SB 293 just last Friday. On Friday in House Natural Resources Committee, SB 293 was heard. Speaking on behalf of DNRC, Bob Harrington discussed the merits of the bill which, in essence, authorized DNRC to engage on behalf of the state in federal forest management issues. While the bill does not say it directly, the implied objective is to get the USFS more proactive in forest management. This would not only improve forest health but provide a much needed boost to the wood products industry. Specifically, this bill authorizes the DNRC among other things to:

- Represent the state's interest in federal forest management planning process, including establishing cooperating agency status.
- Promote a viable forest and wood products industry and other businesses that rely on public forest lands.

- Have the authority to intervene in litigation or appeals on federal forest management projects.
- Promote the development of an independent long-term sustained timber harvest yield on Montana's federal forests.

These are laudable goals, and I applaud the DNRC. But, I am confounded by the obstructionist approach recently taken by the FWP on a similar federal land management action dealing with oil and gas leases.

This protest by FWP came one year after the BLM completed their Resource Management Plan--a plan in which FWP had much input. A plan that FWP did not submit a letter of protest to during the 30-day protest period, and the very plan in which the Governor's Office did not identify any inconsistencies between the draft RMP/EIS and state or local plans, policies, and programs; nor were any inconsistencies noted following the 60-day Governor's Consistency Review of the proposed RMP/Final EIS.

So, why is it that within the same administration, one agency is requesting legislative authority to engage constructively with the federal government in encouraging more natural resource development and the sister agency has chosen to take the obstructionist's approach and "appeal" similar proposed actions?

It appears that FWP is going beyond legislative authority, especially in light of the fact that two pieces of legislation that would have allowed the agency the same extended authority at the state level of the permitting process failed in the 2005 Legislative Session. (HB 394 Clark and SB 281 Williams.)

This contradictory approach to engaging with the federal agencies begs the question as to whether the state should be involved at all in the federal land management issues. Minimally, we need a consistent state policy to guide these agencies that reflects your administration policy regarding natural resource development. Left to their own discretion, we're faced with a smorgasbord of individual resource policies and Montana will continue to flounder regarding responsible development of our abundant natural resources. And, quite frankly, no one knows for certain if Montana is open for business or not.

Governor Schweitzer
March 21, 2007
Page 3

I encourage you to rein in the FWP and endorse one clear, consistent policy for natural resource development in Montana.

Sincerely,

Debby Barrett
Representative, HD 72

cc: Beaverhead County Commissioners
Madison County Commissioners
Senate and House Natural Resource
Committee Members

HB 460

In 1998 the legislative fiscal division put together a report for the Legislative Finance Committee outlining deficiencies in Metal Mine Performance Bonding. As a result of that report the legislature passed several bills that changed how mining operations and bonding are conducted in Montana and those regulatory changes include

- Eliminating a per acre cap on metal mine bonding-giving the DEQ the ability to accurately bond new and existing mines.
- Include state costs into mining bonds
- Require a comprehensive bond review every five years
- Inactivity reclamation timeframe standards
- Bond compliance measures such as timeframes in which bonds must be posted, standards for denying permits based upon past transgressions, and authorizing the state to forfeit a bond and begin reclamation if the permittee will not.

That reform legislation created substantial increases in reclamation bonds and improved monitoring.

Debbie Shea
Executive Director *MMB*

Montana % bond increases

Operator	% change 97-2004
Montana Resources (Butte)	263.22%
Barretts Minerals - Treasure Mine	335.57%
ASARCO - Troy Mine	279.95%
Montana Tunnels	2.47%
Stillwater Mining (Nye)	181.03%
Stillwater Mining (East Boulder)	1280.52%

REVISED MAJOR MINE BONDS SINCE 2000 LFC REPORT

Permit	Company	Last Bond Review	Previous Bond Review	Current Bond Amount	Reason
00093	ASARCO - Troy Mine	March-00	\$ 2,752,000.00	\$ 10,500,000.00	5-year Bond Review
00013	Barretts Minerals - Regal Mine	March-01	\$ 987,000.00	\$ 2,878,300.00	Life of Mine Expansion
00005	Luzenac America-Yellowstone Mine	April-01	\$ 1,261,425.00	\$ 12,266,126.00	5-year Bond Review
00113	Montana Tunnels	February-03	\$ 14,987,688.00	\$ 16,156,585.00	Amendment Approval
00149	Stillwater Mining - East Boulder	July-02	\$ 3,805,192.00	\$ 11,115,861.00	5-year Bond Review

DEQ testimony
HB 460
March 21, 2007

Mr. Chairman, members of the committee, for the record I'm Tom Livers, Deputy Director of the Department of Environmental Quality. I'm here to support House Bill 460.

This bill is designed to give DEQ the information necessary to prevent repeat of the serious environmental mistakes of past mining operations, and to ensure that taxpayers aren't left responsible to pay for reclamation when unexpected developments occur.

Specifically, House Bill 460 accomplishes three things:

- adds specificity to application information requirements and to reclamation plan requirements
- gives the Department the authority to require a temporary reclamation plan and bond for certain unanticipated circumstances or developments; and
- provides a streamlined process for determining a final reclamation plan to deal with the unanticipated circumstances or developments.

In order for DEQ to ensure compliance with mining and environmental regulations, we need complete information. House Bill 460 ensures we get that information. The first place this occurs is on page 3, lines 23 and 24, which give us information to more accurately predict hydrologic flow paths, reactive rock locations and more appropriate waste rock placement.

House Bill 460 also requires the operator to use this information to specifically address problem materials in the reclamation plan. It requires the operator of a new mine to isolate or manage these materials in a way that prevents water quality violations. This is accomplished on page 7, lines 3 through 8.

The existing reclamation plan requirements of the Metal Mine Reclamation Act require compliance with the Water Quality Act, and HB 460 does not strengthen or weaken that requirement. What HB 460 would do, however, is increase the likelihood that problem materials will be identified and dealt with appropriately and that water quality violations will be prevented.

When DEQ discovers a previously unknown situation that is likely to create impacts that were not originally predicted, we need two things: a temporary reclamation plan and immediate access to a temporary reclamation bond sufficient to provide reclamation certainty until a permanent reclamation plan and bond can be put in place. This provision is outlined in the second half of page 10 and the first half of page 11.

In order to have sufficient information to accurately determine the amount of temporary bonding necessary, the bill calls for a third-party contractor to provide an engineering analysis of the danger to public health, safety or the environment and also the estimated costs of addressing these potential dangers.

This temporary reclamation plan and bond would remain in place until a permanent plan and bond is approved and accepted, or two years after submittal of a complete application to DEQ for a permanent reclamation plan amendment, whichever occurs first. This last provision gives DEQ a two-year window to act on the application, but the clock doesn't start until we determine the application is complete.

Finally, HB 460 streamlines the process for development of the permanent reclamation plan amendments when unanticipated circumstances or developments occur. It requires the permittee to submit an analysis of the necessary changes to the reclamation plan and an assessment of the likely effectiveness of those changes in eliminating or mitigating negative environmental impact. If the Department determines these changes do not mitigate impacts to an acceptable level the bill gives us the authority to require an environmental impact statement, and requires the permittee to pay the costs associated with the EIS.

Mr. Chairman, members of the Committee, this bill may not go far enough for some. From our perspective, it gives DEQ the tools it needs to better predict and prevent significant environmental impacts from mining. When unanticipated situations arise, it gives us authority to ensure adequate bonding is immediately secured to address these new developments so that Montana taxpayers are not held liable. This is an important piece of legislation, and we urge do pass. Thank you.